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SUBJECT: IRAN CALLS FOR "BOLD STEPS" FROM OBAMA
ADMINISTRATION, PROPOSES COOPERATION WITH ROK ON AFGHANISTAN

REF: STATE 25892

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4(b/d)

¶1. (C) SUMMARY: Iranian Head of Judiciary Ayatollah Seyyed Mahmoud Hashemi Shahroudi visited Seoul with several senior Iranian legal and diplomatic officials March 16-18 at the invitation of ROK Chief Justice Lee Yong-hoon. Shahroudi, his Senior Advisor for International Affairs Mohammad Javad Larijani, and Deputy Foreign Minister Mohammad Mehdi Akhoundzadeh discussed Tehran's stance toward the new U.S. administration, proposed cooperation with Korea on Iraq and Afghanistan reconstruction projects, described Iran's "new ideas" for promoting peace in the Middle East, and invited Korean investment in Iran during their respective meetings with ROK President Lee Myung-bak, Foreign Minister Yu Myung-hwan, and Deputy FM Lee Yong-joon. Of the Obama Administration, they said "bold steps" would be needed for it to improve relations with Tehran. On Afghanistan, Tehran had a "new regional approach" to addressing the underlying causes of instability there. As for detained U.S. citizens Roxana Saberi and Esha Momeni, both would be able to leave Iran soon. Iranian investigators needed more information, however, to continue efforts to locate missing American Bob Levinson. End Summary.

¶2. (C) According to the ROK Ministry of Foreign Affairs and Trade (MOFAT) Middle East Division, Head of Judiciary Shahroudi is the most senior Iranian official ever to have visited South Korea. Tehran had actually invited ROK Chief Justice Lee Yong-hoon to visit Iran first in the second half of 2008; inclined not to accept, Lee responded somewhat half-heartedly with an invitation to the Head of Justice to visit Seoul instead. In addition to President Lee Myung-bak and Chief Justice Lee, Shahroudi met with National Assembly Speaker Kim Hyong-o, initialed draft judiciary cooperation and extradition agreements with Justice Minister Kim Kyung-han, lectured at the ROK Ministry of Justice Judicial Training Center, and visited Hyundai Heavy Industries in Ulsan. The ROKG had considered Shahroudi's closeness to the Supreme Leader and influential position in the Iranian leadership structure in determining meeting counterparts. Shahroudi invited President Lee to visit Iran and Senior Advisor Larijani (brother of Iranian parliament speaker Ali Ardashir Larijani) made reference to this invitation during his meeting with FM Yu; in both cases the ROK side responded with silence. The Head of Judiciary's delegation arrived in Seoul the morning of March 16 and departed from Busan March 18.

13. (C) During the Shahroudi-President Lee, Larijani-FM Yu, and Akhoundzadeh-Deputy FM Lee meetings, all three Iranians said that Tehran was paying very close attention to signals from the Obama Administration. Encouraged by President Lee to take advantage of opportunities to improve relations with the U.S., Shahroudi allowed that Iran harbored "great expectations" that President Obama would "implement his campaign promises," but the U.S. response to the situation in Gaza and its 18-month timeline for withdrawal of troops from Iraq were cause for some concern. These developments suggested the Administration was "going in reverse" as a result of the influence of the "Zionist lobbies."

14. (C) Though he characterized the announcement of the 18-month withdrawal timeline as a "positive step," Senior Advisor Larijani likewise told FM Yu during a lengthy monologue that consumed 30 minutes of their 50-minute meeting that Tehran was encouraged by President Obama's verbal signals, but the signals conveyed by his actions were less positive. Iran was ready to speak the "language of expediency" on selected issues, such as Afghanistan reconstruction, where Iranian and U.S. interests converged. Many Iranians, however, remained suspicious of the U.S., Deputy FM Akhoundzadeh explained in his separate meeting with ROK Deputy FM Lee. Tehran had expressed interest in cooperating on Afghanistan at the Bonn conference following the 9-11 attacks, but was designated part of the "Axis of Evil" in return. What President Obama needed to do, Larijani said, was to "seize the opportunity" presented by President Ahmadinejad's congratulatory letter and take "bold steps" of the Iran-Contra era, Larijani counseled against tying relations with Tehran to unrelated, "dirty" issues.

15. (C) President Lee and FM Yu both expressed hope that Tehran's relations with the U.S. would improve. Deputy FM Lee told Deputy FM Akhoundzadeh that Iran could have better relations with Korea only when U.S.-Iran ties were less strained. He advised that Tehran send positive signals to the U.S. while its Iran policy review was still ongoing. FM Yu urged Iran to talk directly with Washington should the U.S. take steps toward engagement. Korea was willing to do what it could to help improve relations with the U.S., he added. The biggest obstacle was the nuclear issue; it was incumbent upon Iran to build confidence about its nuclear activities. This would facilitate greater cooperation on Iraq, Afghanistan, and Pakistan. Korea and Japan had refrained from developing nuclear weapons because of negative repercussions this would have to the regional balance of power. Korea also wanted to stem proliferation of nuclear weapons to states like the DPRK.

16. (C) Larijani responded that confidence building worked both ways; one of the reasons Tehran felt it needed a stable supply of nuclear fuel was because it had lost confidence in the international community. While Iran was willing to heighten transparency at its nuclear facilities and even subject them to 24-hour on-site monitoring by inspectors, it would demand obligations on the part of the West in return.

Rebuilding the Neighborhood: Iraq, Afghanistan, Pakistan

17. (C) Iran was emerging as a regional power, Larijani continued, and was no longer "merely a spectator" to events in Iraq, Afghanistan, Lebanon, and Palestine. Tehran had maintained close ties with Iraq since the fall of Saddam Hussein and, in contrast to Saudi Arabia, Jordan, and Egypt, supported democracy there, he said, making no reference to any sectarian affinities that might underlie such support. Iran's three rounds of talks with the U.S. on Iraqi matters had contributed somewhat to stabilization despite making little progress. Iran was committed to using its influence

in Iraq "positively"; it would take care of any security concerns should Korea agree to begin small-scale reconstruction projects there.

18. (C) The experience of NATO and the West in Afghanistan had once again demonstrated the futility of dealing with that country's problems with military means, Larijani told FM Yu. The "failure" to weaken the Taliban in Afghanistan and address its rise in Pakistan had enormous security implications for Iran; it was thus critical that Afghanistan be rebuilt and its government succeed. There was "much room" for Korean contributions to reconstruction projects; cooperation with Iran in this area could begin with small projects and gradually expand. As in Iraq, Iran would take care of security precautions. Perhaps, like Japan, Korea could join with Iran and Afghanistan to form a trilateral committee to identify areas of cooperation.

19. (C) There needed to be a "new approach" to Afghanistan reconstruction efforts that involved mobilizing the private sector, Deputy FM Akhoundzadeh told Deputy FM Lee. Tehran had given USD450 million in support to the Afghanistan government and had recently provided it with an additional USD300 million line of credit. Furthermore, it had created a fund for use by Afghanistan and Iranian companies to carry out reconstruction projects. Iran was working on rail projects to connect Afghanistan to Tajikistan, China, and Southeast Asia. It was discussing plans to provide vocational training to 950 thousand of the 3.5 million Afghan refugees in Iran with Germany and Japan. It wanted to augment the low wages of Afghani experts who would be key to building the country's future and had proposed using the Iranian port of Chabahar as an outlet for Afghan trade. (Note: During a January 30 meeting with Deputy FM Lee in Seoul, Iran Foreign Ministry Spokesman Hassan Qashqavi had confirmed that some 3,000 Iranian security personnel had also been killed combatting narcotics trafficking in Afghanistan.)

110. (C) The new approach to Afghanistan also needed to be regional, Akhoundzadeh continued. The international community was too focused on the Moscow and Hague aid conferences. While there was a role for support from outside the region, it could not constitute a sustainable solution. President Karzai had lamented at a recent meeting that 90 percent of the financial support from the international community ended up leaving Afghanistan. There thus needed to be improved localization of support. Iran planned to attend neither the Moscow nor the Hague conference; instead Tehran would try to convene a regional meeting to prepare a roadmap for regional economic development, particularly in Afghanistan and Pakistan. There could be a role for the UN, too, in organizing a regional conference of this kind.

111. (C) In response, FM Yu pointed out that the Obama Administration was fully aware that Afghanistan's problems could not be dealt with by military means alone; this was why the U.S. was requesting Korea's cooperation there. Iran should interpret this as a positive signal. DFM Lee, meanwhile, told DFM Akhoundzadeh that Korea was also concerned about Afghanistan, had spent USD100 million on various projects there over the last ten years, and planned to contribute more and engage in joint projects there with Japan. As far as cooperation with Iran was concerned, the ROKG was willing to look at concrete proposals and measures that addressed its security concerns. Asked if Korea was interested in projects in western Afghanistan, the Deputy FM responded that it was looking at the north.

Missing and Detained Americans

112. (C) FM Yu, DFM Lee, and MOFAT Director General for African and Middle Eastern Affairs Kim Jin-soo all raised the issue of the one missing and two detained Americans in Iran during meetings with Senior Advisor Larijani and Deputy FM Akhoundzadeh. Larijani said he was well aware of all three cases. Iranian authorities had not known about Bob

Levinson's arrival at Kish Island until after he was reported missing as the island was a visa-free zone. Officials had conducted a thorough investigation, but had uncovered no information about his subsequent or present whereabouts. Investigators needed more information -- who he was meeting, for example, and what his plans were -- before they could proceed further.

¶13. (C) Roxana Saberi and Esha Momeni had both entered Iran with Iranian passports, Larijani noted, and criticized sharia, advocated women's rights, and engaged in "subversive, anti-government activity provocative to the government of Iran and its people." Saberi had been arrested for trying to obtain some whiskey, but was now in "the final stage of preparations" for departure from Iran. Momeni, who Larijani said had claimed to have been sponsored by the Department of State, would be able to leave within 2 to 3 weeks. DFM Akhoundzadeh noted that the Saberi and Momeni cases raised difficult legal issues as Iran did not recognize dual citizenship. Nevertheless, the cases could be dealt with fairly easily; Tehran was giving them positive consideration and was determined to resolve them.

"New Ideas" About Israeli-Palestinian Dispute

¶14. (C) Regarding Middle East peace, Larijani told FM Yu that Iran desired a nonviolent, peaceful resolution to the Israeli-Palestinian dispute that did not "run roughshod over the Palestinian people." The 2006 Lebanon war and more recent violence in Gaza had once again demonstrated the futility of using force. The U.S. and the West had little to show for their peace process efforts. Characterizing Israel's goal as being to kick Christians and Muslims out of the country and create a state only for Jews, Larijani stated that Tehran favored a democratic approach instead based on respect for all three groups. U.S. outreach to the region was hampered because it was " beholden to the Zionist lobby," had "insufficient understanding of the region," and lacked "new ideas." President Obama's campaign trail offers of dialogue were "seductive," but "unilateral decisions conveyed through CNN did not constitute engagement."

Korean Investment Sales Pitch

¶15. (C) Both Head of Judiciary Shahroudi and his Senior

Advisor Larijani attempted to sell Iran as a destination for Korean investment. Shahroudi noted Iran had thus far been relatively unscathed by the global financial crisis and invited greater investment from Korean companies. Larijani told FM Yu that Iran was the "safest, most stable country in the region"; there was great opportunity to pursue industrial projects outside the energy realm, including in automobiles. However, Larijani stressed, "external influence should be excluded." As it had requested, the Iranian delegation visited Hyundai Heavy Industries shipbuilding and Hyundai Motor Company car manufacturing operations in Ulsan March 18.

Comment

¶16. (C) The Shahroudi delegation's trip to Korea followed earlier visits by Iranian Foreign Ministry Spokesman Hassan Qashqavi January 30 and Foreign Minister Manouchehr Mottaki, Vice President for Culture and Tourism Esfandiar Rahim Mashaei, and Chief Prosecutor Qorban-Ali Dorri Najaf-Abadi (who was also a member of the Shahroudi delegation) in 2008. While taking pains to emphasize that this string of visits did not mean that Seoul had taken a favorable view of Tehran, MOFAT contacts have also indicated the ROKG's interest in discussing policy toward Iran with the U.S. and facilitating the improvement of U.S.-Iran relations in some way, perhaps as an intermediary. MOFAT North America Division officials,

for example, have told us the ROKG is always interested in cooperating with the U.S. on Iran and is ready to share ideas. This is consistent with statements by President Lee and FM Yu professing hope for better relations between Tehran and Washington; it also dovetails with President Lee's resource and energy diplomacy, through which Korea seeks to secure sources of energy and raw materials while contributing to infrastructure construction in developing countries and economies in transition such as Iraq and the Russian Far East. While it shares U.S. concerns about Iran's nuclear activities, Seoul would view increased engagement by the U.S. with Tehran as a welcome development.

STEPHENS